

AMENDED IN ASSEMBLY JUNE 5, 2014

AMENDED IN SENATE JANUARY 9, 2014

SENATE BILL

No. 508

Introduced by Senator Hernandez

February 21, 2013

An act to amend Sections 14005.20, 14005.26, 14005.27, 14005.28, 14005.30, 14005.64, 14051, 14148, and 14148.5 of, and to add ~~Section 14005.285~~ *Sections 14005.285, 14005.287, and 14005.288* to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 508, as amended, Hernandez. Medi-Cal: eligibility.

(1) Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires, with some exceptions, a Medi-Cal applicant's or beneficiary's income and resources be determined based on modified adjusted gross income (MAGI), as specified. Existing law requires the department to establish income eligibility thresholds for those eligibility groups whose eligibility will be determined using MAGI-based financial methods.

This bill would codify the income eligibility thresholds established by the department and would make other related and conforming changes.

(2) Existing law requires the department to implement specified provisions of federal law to provide Medi-Cal benefits to an individual who is in foster care on his or her 18th birthday until his or her 26th birthday, as specified.

This bill would instead require the department to implement those provisions to provide Medi-Cal benefits to an individual until his or her 26th birthday if he or she was in foster care on his or her 18th birthday or ~~lost his or her eligibility for foster care assistance due to having reached the maximum age for that assistance.~~ *such higher age at which the state's or tribe's foster care assistance ends under federal law. The bill would, if permitted under future federal regulations or guidance, require the department to provide Medi-Cal benefits under these provisions to an individual who left foster care before reaching the age at which the state's or tribe's foster care assistance ends under federal law.* The bill would also require the department to exercise its option under federal law to extend Medi-Cal benefits to independent foster care adolescents, as specified.

This bill would require the department to exercise its option under federal law to extend Medi-Cal benefits to individuals under 21 years of age placed in foster homes or private institutions and individuals under 21 years of age for whom a specified adoption agreement is in effect. The bill would require that all of the income considered when determining an individual's eligibility under these provisions be disregarded.

Because counties are required to make eligibility determinations and this ~~will~~ *bill* would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

(3) Existing law, for purposes of determining eligibility, defines, in part, a medically-~~need~~ *needy* family person as a parent or caretaker relative of a child who meets the deprivation requirements of Aid to Families with Dependent Children.

This bill would delete the requirement that the parent or caretaker relative meet the deprivation requirements.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 14005.20 of the Welfare and Institutions Code is amended to read:

14005.20. (a) The State Department of Health Care Services shall adopt the option made available under Section 1902(a)(10)(A)(ii)(XII) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XII)) to pay allowable tuberculosis related services for persons infected with tuberculosis.

(b) (1) Except as provided in paragraph (2), the income and resources of these persons may not exceed the maximum amount for a disabled person as described in Section 1902(a)(10)(A)(i) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)).

(2) Effective January 1, 2014, the income and resources of individuals eligible under this section may not exceed the maximum amount for a disabled person as described in Section 1902(a)(10)(A)(i) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)), as determined, counted, and valued in accordance with the requirements of Section 14005.64.

(c) The amendments made by the act that added this subdivision shall be implemented only if and to the extent that federal financial participation is available and any necessary federal approvals have been obtained.

SEC. 2. Section 14005.26 of the Welfare and Institutions Code is amended to read:

14005.26. (a) (1) Except as provided in subdivision (b), the department shall exercise the option pursuant to Section 1902(a)(10)(A)(ii)(XIV) of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XIV)) to provide full-scope benefits with no share of cost under this chapter and Chapter 8 (commencing with Section 14200) to optional targeted low-income children pursuant to Section 1905(u)(2)(B) of the federal Social Security Act (42 U.S.C. Sec. 1396d(u)(2)(B)), with family incomes up to and including 200 percent of the federal poverty level. The department shall seek federal approval of a state plan amendment to implement this subdivision.

(2) (A) *Pursuant to Section 1902(r)(2) of the federal Social Security Act (42 U.S.C. Sec. 1396a(r)(2)), the department shall adopt the option to use less restrictive income and resource*

1 *methodologies to exempt all resources and disregard income at*
2 *or above 200 percent and up to and including 250 percent of the*
3 *federal poverty level for the individuals described in paragraph*
4 *(1). The department shall seek federal approval of a state plan*
5 *amendment to implement this subdivision.*

6 *(B) This paragraph shall be inoperative on January 1, 2014.*

7 (b) Effective January 1, 2014, the federal poverty level
8 percentage income eligibility threshold used pursuant to
9 subdivision (c) of Section 14005.64 to determine eligibility for
10 medical assistance under subdivision (a) shall equal 261 percent
11 of the federal poverty level.

12 (c) For purposes of carrying out the provisions of this section,
13 the department may adopt the option pursuant to Section
14 1902(e)(13) of the federal Social Security Act (42 U.S.C. Sec.
15 1396a(e)(13)) to rely upon findings of the Managed Risk Medical
16 Insurance Board (MRMIB) regarding one or more components of
17 eligibility.

18 (d) (1) (A) Except as provided in subparagraph (B), the
19 department shall exercise the option pursuant to Section 1916A
20 of the federal Social Security Act (42 U.S.C. Sec. 1396o-1) to
21 impose premiums for individuals described in subdivision (a)
22 whose family income has been determined to be above 150 percent
23 and up to and including 200 percent of the federal poverty ~~level.~~
24 *level, after application of the income disregard pursuant to*
25 *paragraph (2) of subdivision (a).* The department shall not impose
26 premiums under this subdivision for individuals described in
27 subdivision (a) whose family income has been determined to be
28 at or below 150 percent of the federal poverty ~~level.~~ *level, after*
29 *application of the income disregard pursuant to paragraph (2) of*
30 *subdivision (a).* The department shall obtain federal approval for
31 the implementation of this subdivision.

32 (B) Effective January 1, 2014, the department shall impose a
33 premium pursuant to subparagraph (A) for individuals whose
34 family income has been determined to be above 160 percent and
35 up to and including 261 percent of the federal poverty level, as
36 determined, counted, and valued in accordance with the
37 requirements of Section 14005.64.

38 (2) (A) Monthly premiums imposed under this section shall
39 equal thirteen dollars (\$13) per child with a maximum contribution
40 of thirty-nine dollars (\$39) per family.

(B) Families that pay three months of required premiums in advance shall receive the fourth consecutive month of coverage with no premium required. For purposes of the discount provided by this subparagraph, family contributions paid in the Healthy Families Program for children transitioned to Medi-Cal pursuant to Section 14005.27 shall be credited as Medi-Cal premiums paid.

(C) Families that pay the required premium by an approved means of electronic funds transfer, including credit card payment, shall receive a 25-percent discount from the required premium. If the department and the Managed Risk Medical Insurance Board determine that it is feasible, the department shall treat an authorization for electronic funds transfer or credit card payment to the Healthy Families Program as an authorization for electronic funds transfer or credit card payment to Medi-Cal.

(e) This section shall be implemented only to the extent that all necessary federal approvals and waivers described in this section have been obtained and the enhanced rate of federal financial participation under Title XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.) is available for targeted low-income children pursuant to that act.

(f) The department shall not enroll targeted low-income children described in this section in the Medi-Cal program until all necessary federal approvals and waivers have been obtained, and no sooner than January 1, 2013.

(g) (1) ~~To~~ (A) *Except as provided in subparagraph (B), to the extent the new budget methodology pursuant to paragraph (6) of subdivision (a) of Section 14154 is not fully operational, for the purposes of implementing this section, for individuals described in subdivision (a) whose family income has been determined to be up to and including 160 150 percent of the federal poverty level, level, as determined pursuant to paragraph (2) of subdivision (a),* the department shall utilize the budgeting methodology for this population as contained in the November 2011 Medi-Cal Local Assistance Estimate for Medi-Cal county administration costs for eligibility operations.

(B) *Effective January 1, 2014, to the extent the new budget methodology pursuant to paragraph (6) of subdivision (a) of Section 14154 is not fully operational, for purposes of implementing this section for individuals whose family income has been determined to be up to and including 160 percent of the*

1 *federal poverty level, the department shall utilize the budgeting*
2 *methodology for this population as contained in the November*
3 *2011 Medi-Cal Local Assistance Estimate for Medi-Cal county*
4 *administration costs for eligibility operations.*

5 (2) ~~For~~ (A) *Except as provided in subparagraph (B), for*
6 *purposes of implementing this section, the department shall include*
7 *in the Medi-Cal Local Assistance Estimate an amount for Medi-Cal*
8 *eligibility operations associated with the individuals whose family*
9 *income is determined to be above*~~160~~ *150 percent and up to and*
10 *including*~~261~~ *200 percent of the federal poverty level.* *level, after*
11 *application of the income disregard pursuant to paragraph (2) of*
12 *subdivision (a).* In developing an estimate for this activity, the
13 department shall consider the projected number of final eligibility
14 determinations each county will process and projected county
15 costs. Within 60 days of the passage of the annual Budget Act, the
16 department shall notify each county of their allocation for this
17 activity based upon the amount allotted in the annual Budget Act
18 for this purpose.

19 (B) *Effective January 1, 2014, for purposes of implementing*
20 *this section, the department shall include in the Medi-Cal Local*
21 *Assistance Estimate an amount for Medi-Cal eligibility operations*
22 *associated with the individuals whose family income is determined*
23 *to be above 160 percent and up to and including 261 percent of*
24 *the federal poverty level.*

25 (h) When the new budget methodology pursuant to paragraph
26 (6) of subdivision (a) of Section 14154 is fully operational, the
27 new budget methodology shall be utilized to reimburse counties
28 for eligibility determinations made for individuals pursuant to this
29 section.

30 (i) Eligibility determinations and annual redeterminations made
31 pursuant to this section shall be performed by county eligibility
32 workers.

33 (j) In conducting eligibility determinations for individuals
34 pursuant to this section and Section 14005.27, the following
35 reporting and performance standards shall apply to all counties:

36 (1) Counties shall report to the department, in a manner and for
37 a time period prescribed by the department, in consultation with
38 the County Welfare Directors Association, the number of
39 applications processed on a monthly basis, a breakout of the
40 applications based on income using the federal percentage of

1 poverty levels, the final disposition of each application, including
2 information on the approved Medi-Cal program, if applicable, and
3 the average number of days it took to make the final eligibility
4 determination for applications submitted directly to the county and
5 from the single point of entry (SPE).

6 (2) Notwithstanding any other ~~provision of~~ law, the following
7 performance standards shall be applied to counties regarding
8 eligibility determinations for individuals eligible pursuant to this
9 section:

10 (A) For children whose applications are received by the county
11 human services department from the SPE, the following standards
12 shall apply:

13 (i) Applications for children who are granted accelerated
14 enrollment by the SPE shall be processed according to the
15 timeframes specified in subdivision (d) of Section 14154.

16 (ii) Applications for children who are not granted accelerated
17 enrollment by the SPE due to the existence of an already active
18 Medi-Cal case shall be processed according to the timeframes
19 specified in subdivision (d) of Section 14154.

20 (iii) For applications for children who are not described in clause
21 (i) or (ii), 90 percent shall be processed within 10 working days
22 of being received, complete and without client errors.

23 (iv) If an application described in this section also contains
24 adults, and the adult applicants are required to submit additional
25 information beyond the information provided for the children, the
26 county shall process the eligibility for the child or children without
27 delay, consistent with this section while gathering the necessary
28 information to process eligibility for the adults.

29 (B) The department, in consultation with the County Welfare
30 Directors Association, shall develop reporting requirements for
31 the counties to provide regular data to the state regarding the
32 timeliness and outcomes of applications processed by the counties
33 that are received from the SPE.

34 (C) Performance thresholds and corrective action standards as
35 set forth in Section 14154 shall apply.

36 (D) For applications submitted directly to the county, these
37 applications shall be processed by the counties in accordance with
38 the performance standards established under subdivision (d) of
39 Section 14154.

1 (3) This subdivision shall be implemented no sooner than
2 January 1, 2013.

3 (4) Twelve months after implementation of this section pursuant
4 to subdivision (f), the department shall provide enrollment
5 information regarding individuals determined eligible pursuant to
6 subdivision (a) to the fiscal and appropriate policy committees of
7 the Legislature.

8 (k) (1) Notwithstanding Chapter 3.5 (commencing with Section
9 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
10 for purposes of this transition, the department, without taking any
11 further regulatory action, shall implement, interpret, or make
12 specific this section by means of all-county letters, plan letters,
13 plan or provider bulletins, or similar instructions until the time
14 regulations are adopted. It is the intent of the Legislature that the
15 department be allowed temporary authority as necessary to
16 implement program changes until completion of the regulatory
17 process.

18 (2) To the extent otherwise required by Chapter 3.5
19 (commencing with Section 11340) of Part 1 of Division 3 of Title
20 2 of the Government Code, the department shall adopt emergency
21 regulations implementing this section no later than July 1, 2014.
22 The department may thereafter readopt the emergency regulations
23 pursuant to that chapter. The adoption and readoption, by the
24 department, of regulations implementing this section shall be
25 deemed to be an emergency and necessary to avoid serious harm
26 to the public peace, health, safety, or general welfare for purposes
27 of Sections 11346.1 and 11349.6 of the Government Code, and
28 the department is hereby exempted from the requirement that it
29 describe facts showing the need for immediate action and from
30 review by the Office of Administrative Law.

31 (l) To implement this section, the department may enter into
32 and continue contracts with the Healthy Families Program
33 administrative vendor, for the purposes of implementing and
34 maintaining the necessary systems and activities for providing
35 health care coverage to optional targeted low-income children in
36 the Medi-Cal program for purposes of accelerated enrollment
37 application processing by single point of entry,
38 noneligibility-related case maintenance and premium collection,
39 maintenance of the Health-E-App Web portal, call center staffing
40 and operations, certified application assistant services, and

1 reporting capabilities. To further implement this section, the
2 department may also enter into a contract with the Health Care
3 Options Broker of the department for purposes of managed care
4 enrollment activities. The contracts entered into or amended under
5 this section may initially be completed on a noncompetitive bid
6 basis and are exempt from the Public Contract Code. Contracts
7 thereafter shall be entered into or amended on a competitive bid
8 basis and shall be subject to the Public Contract Code.

9 (m) (1) If at any time the director determines that this section
10 or any part of this section may jeopardize the state's ability to
11 receive federal financial participation under the federal Patient
12 Protection and Affordable Care Act (Public Law 111-148), or any
13 amendment or extension of that act, or any additional federal funds
14 that the director, in consultation with the Department of Finance,
15 determines would be advantageous to the state, the director shall
16 give notice to the fiscal and policy committees of the Legislature
17 and to the Department of Finance. After giving notice, this section
18 or any part of this section shall become inoperative on the date
19 that the director executes a declaration stating that the department
20 has determined, in consultation with the Department of Finance,
21 that it is necessary to cease to implement this section or a part or
22 parts thereof, in order to receive federal financial participation,
23 any increase in the federal medical assistance percentage available
24 on or after October 1, 2008, or any additional federal funds that
25 the director, in consultation with the Department of Finance, has
26 determined would be advantageous to the state.

27 (2) The director shall retain the declaration described in
28 paragraph (1), shall provide a copy of the declaration to the
29 Secretary of the State, the Secretary of the Senate, the Chief Clerk
30 of the Assembly, and the Legislative Counsel, and shall post the
31 declaration on the department's Internet Web site.

32 (3) In the event that the director makes a determination under
33 paragraph (1) and this section ceases to be implemented, the
34 children shall be enrolled back into the Healthy Families Program.

35 SEC. 3. Section 14005.27 of the Welfare and Institutions Code
36 is amended to read:

37 14005.27. (a) Individuals enrolled in the Healthy Families
38 Program pursuant to Part 6.2 (commencing with Section 12693)
39 of Division 2 of the Insurance Code on June 27, 2012, and who
40 are determined eligible to receive benefits pursuant to subdivisions

1 ~~(a) or subdivision (a) of Section 14005.26, or, effective January~~
2 ~~1, 2014, subdivision (b) of Section 14005.26, shall be transitioned~~
3 ~~into Medi-Cal, pursuant to this section.~~

4 (b) To the extent necessary and for the purposes of carrying out
5 the provisions of this section, in performing initial eligibility
6 determinations for children enrolled in the Healthy Families
7 Program pursuant to Part 6.2 (commencing with Section 12693)
8 of Division 2 of the Insurance Code, the department shall adopt
9 the option pursuant to Section 1902(e)(13) of the federal Social
10 Security Act (42 U.S.C. Sec. 1396a(e)(13)) to allow the department
11 or county human services departments to rely upon findings made
12 by the Managed Risk Medical Insurance Board (MRMIB)
13 regarding one or more components of eligibility. The department
14 shall seek federal approval of a state plan amendment to implement
15 this subdivision.

16 (c) To the extent necessary, the department shall seek federal
17 approval of a state plan amendment or a waiver to provide
18 presumptive eligibility for the optional targeted low-income
19 category of eligibility pursuant to Section 14005.26 for individuals
20 presumptively eligible for or enrolled in the Healthy Families
21 Program pursuant to Part 6.2 (commencing with Section 12693)
22 of Division 2 of the Insurance Code. The presumptive eligibility
23 shall be based upon the most recent information contained in the
24 individual's Healthy Families Program file. The timeframe for the
25 presumptive eligibility shall begin no sooner than January 1, 2013,
26 and shall continue until a determination of Medi-Cal eligibility is
27 made, which determination shall be performed within one year of
28 the individual's Healthy Families Program annual review date.

29 (d) (1) The California Health and Human Services Agency, in
30 consultation with the Managed Risk Medical Insurance Board, the
31 State Department of Health Care Services, the Department of
32 Managed Health Care, and diverse stakeholders groups, shall
33 provide the fiscal and policy committees of the Legislature with
34 a strategic plan for the transition of the Healthy Families Program
35 pursuant to this section by no later than October 1, 2012. This
36 strategic plan shall, at a minimum, address all of the following:

37 (A) State, county, and local administrative components which
38 facilitate a successful subscriber transition such as communication
39 and outreach to subscribers and applicants, eligibility processing,
40 enrollment, communication, and linkage with health plan providers,

1 payments of applicable premiums, and overall systems operation
2 functions.

3 (B) Methods and processes for diverse stakeholder engagement
4 throughout the entire transition, including all phases of the
5 transition.

6 (C) State monitoring of managed care health plans' performance
7 and accountability for provision of services, and initial quality
8 indicators for children and adolescents transitioning to Medi-Cal.

9 (D) Health care and dental delivery system components such
10 as standards for informing and enrollment materials, network
11 adequacy, performance measures and metrics, fiscal solvency, and
12 related factors that ensure timely access to quality health and dental
13 care for children and adolescents transitioning to Medi-Cal.

14 (E) Inclusion of applicable operational steps, timelines, and key
15 milestones.

16 (F) A time certain for the transfer of the Healthy Families
17 Advisory Board, as described in Part 6.2 (commencing with Section
18 12693) of Division 2 of the Insurance Code, to the State
19 Department of Health Care Services.

20 (2) The intent of this strategic plan is to serve as an overall guide
21 for the development of each plan for each phase of this transition,
22 pursuant to paragraphs (1) to (8), inclusive, of subdivision (e), to
23 ensure clarity and consistency in approach and subscriber
24 continuity of care. This strategic plan may also be updated by the
25 California Health and Human Services Agency as applicable and
26 provided to the Legislature upon completion.

27 (e) (1) The department shall transition individuals from the
28 Healthy Families Program to the Medi-Cal program in four phases,
29 as follows:

30 (A) Phase 1. Individuals enrolled in a Healthy Families Program
31 health plan that is a Medi-Cal managed care health plan shall be
32 enrolled in the same plan no earlier than January 1, 2013, pursuant
33 to the requirements of this section and Section 14011.6, and to the
34 extent the individual is otherwise eligible under this chapter and
35 Chapter 8 (commencing with Section 14200).

36 (B) Phase 2. Individuals enrolled in a Healthy Families Program
37 managed care health plan that is a subcontractor of a Medi-Cal
38 managed health care plan, to the extent possible, shall be enrolled
39 into a Medi-Cal managed health care plan that includes the
40 individuals' current plan pursuant to the requirements of this

1 section and Section 14011.6, and to the extent the individuals are
2 otherwise eligible under this chapter and Chapter 8 (commencing
3 with Section 14200). The transition of individuals described in
4 this subparagraph shall begin no earlier than April 1, 2013.

5 (C) Phase 3. Individuals enrolled in a Healthy Families Program
6 plan that is not a Medi-Cal managed care plan and does not contract
7 or subcontract with a Medi-Cal managed care plan shall be enrolled
8 in a Medi-Cal managed care plan in that county. Enrollment shall
9 include consideration of the individuals' primary care providers
10 pursuant to the requirements of this section and Section 14011.6,
11 and to the extent the individuals are otherwise eligible under this
12 chapter and Chapter 8 (commencing with Section 14200). The
13 transition of individuals described in this subparagraph shall begin
14 no earlier than August 1, 2013.

15 (D) Phase 4.

16 (i) Individuals residing in a county that is not a Medi-Cal
17 managed care county shall be provided services under the Medi-Cal
18 fee-for-service delivery system, subject to clause (ii). The transition
19 of individuals described in this subparagraph shall begin no earlier
20 than September 1, 2013.

21 (ii) In the event the department creates a managed health care
22 system in the counties described in clause (i), individuals residing
23 in those counties shall be enrolled in managed health care plans
24 pursuant to this chapter and Chapter 8 (commencing with Section
25 14200).

26 (2) For the transition of individuals pursuant to subparagraphs
27 (A), (B), (C), and (D) of paragraph (1), implementation plans shall
28 be developed to ensure state and county systems readiness, health
29 plan network adequacy, and continuity of care with the goal of
30 ensuring there is no disruption of service and there is continued
31 access to coverage for all transitioning individuals. If an individual
32 is not retained with his or her current primary care provider, the
33 implementation plan shall require the managed care plan to report
34 to the department as to how continuity of care is being provided.
35 Transition of individuals described in subparagraphs (A), (B), (C),
36 and (D) of paragraph (1) shall not occur until 90 days after the
37 department has submitted an implementation plan to the fiscal and
38 policy committees of the Legislature. The implementation plans
39 shall include, but not be limited to, information on health and
40 dental plan network adequacy, continuity of care, eligibility and

1 enrollment requirements, consumer protections, and family
2 notifications.

3 (3) The following requirements shall be in place prior to
4 implementation of Phase 1, and shall be required for all phases of
5 the transition:

6 (A) Managed care plan performance measures shall be integrated
7 and coordinated with the Healthy Families Program performance
8 standards including, but not limited to, child-only Healthcare
9 Effectiveness Data and Information Set (HEDIS) measures, and
10 measures indicative of performance in serving children and
11 adolescents. These performance measures shall also be in
12 compliance with all performance requirements under the
13 Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2
14 (commencing with Section 1340) of Division 2 of the Health and
15 Safety Code) and existing Medi-Cal managed care performance
16 measurements and standards as set forth in this chapter and Chapter
17 8 (commencing with Section 14200) of Title 22 of the California
18 Code of Regulations, and all-plan letters, including, but not limited
19 to, network adequacy and linguistic services, and shall be met prior
20 to the transition of individuals pursuant to Phase 1.

21 (B) Medi-Cal managed care health plans shall allow enrollees
22 to remain with their current primary care provider. If an individual
23 does not remain with the current primary care provider, the plan
24 shall report to the department as to how continuity of care is being
25 provided.

26 (4) (A) As individuals are transitioned pursuant to
27 subparagraphs (A), (B), (C), and (D) of paragraph (1), for
28 individuals residing in all counties except the Counties of
29 Sacramento and Los Angeles, their dental coverage shall transition
30 to fee-for-service dental coverage and may be provided by their
31 current provider if the provider is a Medi-Cal fee-for-service dental
32 provider.

33 (B) For individuals residing in the County of Sacramento, their
34 dental coverage shall continue to be provided by their current
35 dental managed care plan if their plan is a Medi-Cal dental
36 managed care plan. If their plan is not a Medi-Cal dental managed
37 care plan, they shall select a Medi-Cal dental managed care plan.
38 If they do not choose a Medi-Cal dental managed care plan, they
39 shall be assigned to a plan with preference to a plan with which
40 their current provider is a contracted provider. Any children in the

1 Healthy Families Program transitioned into Medi-Cal dental
2 managed care plans shall also have access to the beneficiary dental
3 exception process, pursuant to Section 14089.09. Further, the
4 Sacramento advisory committee, established pursuant to Section
5 14089.08, shall be consulted regarding the transition of children
6 in the Healthy Families Program into Medi-Cal dental managed
7 care plans.

8 (C) (i) For individuals residing in the County of Los Angeles,
9 for purposes of continuity of care, their dental coverage shall
10 continue to be provided by their current dental managed care plan
11 if that plan is a Medi-Cal dental managed care plan. If their plan
12 is not a Medi-Cal dental managed care plan, they may select a
13 Medi-Cal dental managed care plan or choose to move into
14 Medi-Cal fee-for-service dental coverage.

15 (ii) It is the intent of the Legislature that children transitioning
16 to Medi-Cal under this section have a choice in dental coverage,
17 as provided under existing law.

18 (5) Dental health plan performance measures and benchmarks
19 shall be in accordance with Section 14459.6.

20 (6) Medi-Cal managed care health and dental plans shall report
21 to the department, as frequently as specified by the department,
22 specified information pertaining to transition implementation,
23 enrollees, and providers, including, but not limited to, grievances
24 related to access to care, continuity of care requests and outcomes,
25 and changes to provider networks, including provider enrollment
26 and disenrollment changes. The plans shall report this information
27 by county, and in the format requested by the department.

28 (7) The department may develop supplemental implementation
29 plans to separately account for the transition of individuals from
30 the Healthy Families Program to specific Medi-Cal delivery
31 systems.

32 (8) The department shall consult with the Legislature and
33 stakeholders, including, but not limited to, consumers, families,
34 consumer advocates, counties, providers, and health and dental
35 plans, in the development of implementation plans described in
36 paragraph (3) for individuals who are transitioned to Medi-Cal in
37 Phase 2, Phase 3, and Phase 4, as described in subparagraphs (B),
38 (C), and (D) of paragraph (1).

39 (9) (A) The department shall consult and collaborate with the
40 Department of Managed Health Care in assessing Medi-Cal

1 managed care health plan network adequacy in accordance with
2 the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
3 2.2 (commencing with Section 1340) of Division 2 of the Health
4 and Safety Code) for purposes of the developed transition plans
5 pursuant to paragraph (2) for each of the phases.

6 (B) For purposes of individuals transitioning in Phase 1, as
7 described in subparagraph (A) of paragraph (1), network adequacy
8 shall be assessed as described in this paragraph and findings from
9 this assessment shall be provided to the fiscal and appropriate
10 policy committees of the Legislature 60 days prior to the effective
11 date of implementing this transition.

12 (10) The department shall provide monthly status reports to the
13 fiscal and policy committees of the Legislature on the transition
14 commencing no later than February 15, 2013. This monthly status
15 transition report shall include, but not be limited to, information
16 on health plan grievances related to access to care, continuity of
17 care requests and outcomes, changes to provider networks,
18 including provider enrollment and disenrollment changes, and
19 eligibility performance standards pursuant to subdivision (n). A
20 final comprehensive report shall be provided within 90 days after
21 completion of the last phase of transition.

22 (f) (1) The department and MRMIB shall work collaboratively
23 in the development of notices for individuals transitioned pursuant
24 to paragraph (1) of subdivision (e).

25 (2) The state shall provide written notice to individuals enrolled
26 in the Healthy Families Program of their transition to the Medi-Cal
27 program at least 60 days prior to the transition of individuals in
28 Phase 1, as described in subparagraph (A) of paragraph (1) of
29 subdivision (e), and at least 90 days prior to transition of
30 individuals in Phases 2, 3, and 4, as described in subparagraphs
31 (B), (C), and (D) of paragraph (1) of subdivision (e).

32 (3) Notices developed pursuant to this subdivision shall ensure
33 individuals are informed regarding the transition, including, but
34 not limited to, how individuals' systems of care may change, when
35 the changes will occur, and whom they can contact for assistance
36 when choosing a Medi-Cal managed care plan, if applicable,
37 including a toll-free telephone number, and with problems they
38 may encounter. The department shall consult with stakeholders
39 regarding notices developed pursuant to this subdivision. These
40 notices shall be developed using plain language, and written

1 translation of the notices shall be available for those who are
2 limited English proficient or non-English speaking in all Medi-Cal
3 threshold languages.

4 (4) The department shall designate department liaisons
5 responsible for the coordination of the Healthy Families Program
6 and may establish a children's-focused section for this purpose
7 and to facilitate the provision of health care services for children
8 enrolled in Medi-Cal.

9 (5) The department shall provide a process for ongoing
10 stakeholder consultation and make information publicly available,
11 including the achievement of benchmarks, enrollment data,
12 utilization data, and quality measures.

13 (g) (1) In order to aid the transition of Healthy Families Program
14 enrollees, MRMIB, on the effective date of the act that added this
15 section and continuing through the completion of the transition of
16 Healthy Families Program enrollees to the Medi-Cal program,
17 shall begin requesting and collecting from health plans contracting
18 with MRMIB pursuant to Part 6.2 (commencing with Section
19 12693) of Division 2 of the Insurance Code, information about
20 each health plan's provider network, including, but not limited to,
21 the primary care and all specialty care providers assigned to
22 individuals enrolled in the health plan. MRMIB shall obtain this
23 information in a manner that coincides with the transition activities
24 described in subdivision (d), and shall provide all of the collected
25 information to the department within 60 days of the department's
26 request for this information to ensure timely transitions of Healthy
27 ~~Family~~ Families Program enrollees.

28 (2) The department shall analyze the existing Healthy Families
29 Program delivery system network and the Medi-Cal fee-for-service
30 provider networks, including, but not limited to, Medi-Cal dental
31 providers, to determine overlaps of the provider networks in each
32 county for which there are no Medi-Cal managed care plans or
33 dental managed care plans. To the extent there is a lack of existing
34 Medi-Cal fee-for-service providers available to serve the Healthy
35 Families Program enrollees, the department shall work with the
36 Healthy Families Program provider community to encourage
37 participation of those providers in the Medi-Cal program, and
38 develop a streamlined process to enroll them as Medi-Cal
39 providers.

1 (3) (A) MRMIB, within 60 days of a request by the department,
2 shall provide the department any data, information, or record
3 concerning the Healthy Families Program as is necessary to
4 implement the transition of enrollment required pursuant to this
5 section.

6 (B) Notwithstanding any other ~~provision~~ of law, all of the
7 following shall apply:

8 (i) The term “data, information, or record” shall include, but is
9 not limited to, personal information as defined in Section 1798.3
10 of the Civil Code.

11 (ii) Any data, information, or record shall be exempt from
12 disclosure under the California Public Records Act (Chapter 3.5
13 (commencing with Section 6250) of Division 7 of Title 1 of the
14 Government Code) and any other law, to the same extent that it
15 was exempt from disclosure or privileged prior to the provision
16 of the data, information, or record to the department.

17 (iii) The provision of any such data, information, or record to
18 the department shall not constitute a waiver of any evidentiary
19 privilege or exemption from disclosure.

20 (iv) The department shall keep all data, information, or records
21 provided by MRMIB confidential to the full extent permitted by
22 law, including, but not limited to, the California Public Records
23 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
24 of Title 1 of the Government Code), and consistent with MRMIB’s
25 contractual obligations to keep the data, information, or records
26 confidential.

27 (h) This section shall be implemented only to the extent that all
28 necessary federal approvals and waivers have been obtained and
29 the enhanced rate of federal financial participation under Title XXI
30 of the federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.)
31 is available for targeted low-income children pursuant to that act.

32 (i) (1) (A) Except as provided in subparagraph (B), the
33 department shall exercise the option pursuant to Section 1916A
34 of the federal Social Security Act (42 U.S.C. Sec. 1396o-1) to
35 impose premiums for individuals described in subdivision (a) ~~or~~
36 ~~(b)~~ of Section 14005.26 whose family income has been determined
37 to be above 150 percent and up to and including 200 percent of
38 the federal poverty ~~level~~ *level, after application of the income*
39 *disregard pursuant to paragraph (2) of subdivision (a) of Section*
40 *14005.26*. The department shall not impose premiums under this

1 subdivision for individuals described in subdivision (a) ~~or (b)~~ of
2 Section 14005.26 whose family income has been determined to
3 be at or below 150 percent of the federal poverty ~~level~~, *level, after*
4 *application of the income disregard pursuant to paragraph (2) of*
5 *subdivision (a) of Section 14005.26*. The department shall obtain
6 federal approval for the implementation of this subdivision.

7 (B) Effective January 1, 2014, the family income range for the
8 imposition of premiums pursuant to subparagraph (A) *for*
9 *individuals described in subdivision (a) or (b) of Section 14005.26*
10 shall be above 160 percent and shall go up to and include 261
11 percent of the federal poverty level as determined, counted, and
12 valued in accordance with the requirements of Section 14005.64.
13 The department shall not impose premiums for eligible individuals
14 whose family income has been determined to be at or below 160
15 percent of the federal poverty level.

16 (2) All premiums imposed under this section shall equal the
17 family contributions described in paragraph (2) of subdivision (d)
18 of Section 12693.43 of the Insurance Code and shall be reduced
19 in conformity with subdivisions (e) and (f) of Section 12693.43
20 of the Insurance Code.

21 (j) The department shall not enroll targeted low-income children
22 described in this section in the Medi-Cal program until all
23 necessary federal approvals and waivers have been obtained, or
24 no sooner than January 1, 2013.

25 (k) (1) (A) Except as provided in subparagraph (B), to the
26 extent the new budget methodology pursuant to paragraph (6) of
27 subdivision (a) of Section 14154 is not fully operational, for the
28 purposes of implementing this section, for individuals described
29 in subdivision (a) whose family income has been determined to
30 be at or below 150 percent of the federal poverty ~~level~~, *level, after*
31 *application of the disregard pursuant to paragraph (2) of*
32 *subdivision (a) of Section 14005.26*, the department shall utilize
33 the budgeting methodology for this population as contained in the
34 November 2011 Medi-Cal Local Assistance Estimate for Medi-Cal
35 county administration costs for eligibility operations.

36 (B) Effective January 1, 2014, the federal poverty level
37 percentage used under subparagraph (A) *for individuals described*
38 *in subdivision (a)* shall equal 160 percent of the federal poverty
39 level as determined, counted, and valued in accordance with the
40 requirements of Section 14005.64.

1 (2) (A) ~~For~~ *Except as provided in subparagraph (B), for*
2 *purposes of implementing this section, the department shall include*
3 *in the Medi-Cal Local Assistance Estimate an amount for Medi-Cal*
4 *eligibility operations associated with the transfer of Healthy*
5 *Families Program enrollees eligible pursuant to subdivision (a) of*
6 *Section 14005.26 and whose family income is determined to be*
7 *above 160 150 percent and up to and including 261 200 percent*
8 *of the federal poverty level: level, after application of the income*
9 *disregard pursuant to paragraph (2) of subdivision (a) of Section*
10 *14005.26. In developing an estimate for this activity, the*
11 *department shall consider the projected number of final eligibility*
12 *determinations each county will process and projected county*
13 *costs. Within 60 days of the passage of the annual Budget Act, the*
14 *department shall notify each county of their allocation for this*
15 *activity based upon the amount allotted in the annual Budget Act*
16 *for this purpose.*

17 (B) *Effective January 1, 2014, for purposes of implementing*
18 *this section, the department shall include in the Medi-Cal Local*
19 *Assistance Estimate an amount for Medi-Cal eligibility operations*
20 *associated with the transfer of Healthy Families Program enrollees*
21 *eligible pursuant to subdivision (a) or (b) of Section 14005.26 and*
22 *whose family income is determined to be above 160 percent and*
23 *up to and including 261 percent of the federal poverty level.*

24 (I) *When the new budget methodology pursuant to paragraph*
25 *(6) of subdivision (a) of Section 14154 is fully operational, the*
26 *new budget methodology shall be utilized to reimburse counties*
27 *for eligibility determinations made for individuals pursuant to this*
28 *section.*

29 (m) *Except as provided in subdivision (b), eligibility*
30 *determinations and annual redeterminations made pursuant to this*
31 *section shall be performed by county eligibility workers.*

32 (n) *In conducting the eligibility determinations for individuals*
33 *pursuant to this section and Section 14005.26, the following*
34 *reporting and performance standards shall apply to all counties:*

35 (1) *Counties shall report to the department, in a manner and for*
36 *a time period determined by the department, in consultation with*
37 *the County Welfare Directors Association, the number of*
38 *applications processed on a monthly basis, a breakout of the*
39 *applications based on income using the federal percentage of*
40 *poverty levels, the final disposition of each application, including*

1 information on the approved Medi-Cal program, if applicable, and
2 the average number of days it took to make the final eligibility
3 determination for applications submitted directly to the county and
4 from the single point of entry (SPE).

5 (2) Notwithstanding any other law, the following performance
6 standards shall be applied to counties for eligibility determinations
7 for individuals eligible pursuant to this section:

8 (A) For children whose applications are received by the county
9 human services department from the SPE, the following standards
10 shall apply:

11 (i) Applications for children who are granted accelerated
12 enrollment by the SPE shall be processed according to the
13 timeframes specified in subdivision (d) of Section 14154.

14 (ii) Applications for children who are not granted accelerated
15 enrollment by the SPE due to the existence of an already active
16 Medi-Cal case shall be processed according to the timeframes
17 specified in subdivision (d) of Section 14154.

18 (iii) For applications for children who are not described in clause
19 (i) or (ii), 90 percent shall be processed within 10 working days
20 of being received, complete and without client errors.

21 (iv) If an application described in this section also contains
22 adults, and the adult applicants are required to submit additional
23 information beyond the information provided for the children, the
24 county shall process the eligibility for the child or children without
25 delay, consistent with this section while gathering the necessary
26 information to process eligibility for the adults.

27 (B) The department, in consultation with the County Welfare
28 Directors Association, shall develop reporting requirements for
29 the counties to provide regular data to the state regarding the
30 timeliness and outcomes of applications processed by the counties
31 that are received from the SPE.

32 (C) Performance thresholds and corrective action standards as
33 set forth in Section 14154 shall apply.

34 (D) For applications received directly by the county, these
35 applications shall be processed by the counties in accordance with
36 the performance standards established under subdivision (d) of
37 Section 14154.

38 (3) This subdivision shall be implemented no sooner than
39 January 1, 2013.

1 (4) Twelve months after implementation of this section pursuant
2 to subdivision (e), the department shall provide enrollment
3 information regarding individuals determined eligible pursuant to
4 subdivision (a) to the fiscal and appropriate policy committees of
5 the Legislature.

6 (o) (1) Notwithstanding Chapter 3.5 (commencing with Section
7 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
8 for purposes of this transition, the department, without taking any
9 further regulatory action, shall implement, interpret, or make
10 specific this section by means of all-county letters, plan letters,
11 plan or provider bulletins, or similar instructions until the time
12 regulations are adopted. It is the intent of the Legislature that the
13 department be allowed temporary authority as necessary to
14 implement program changes until completion of the regulatory
15 process.

16 (2) To the extent otherwise required by Chapter 3.5
17 (commencing with Section 11340) of Part 1 of Division 3 of Title
18 2 of the Government Code, the department shall adopt emergency
19 regulations implementing this section no later than July 1, 2014.
20 The department may thereafter readopt the emergency regulations
21 pursuant to that chapter. The adoption and readoption, by the
22 department, of regulations implementing this section shall be
23 deemed to be an emergency and necessary to avoid serious harm
24 to the public peace, health, safety, or general welfare for purposes
25 of Sections 11346.1 and 11349.6 of the Government Code, and
26 the department is hereby exempted from the requirement that it
27 describe facts showing the need for immediate action and from
28 review by the Office of Administrative Law.

29 (p) To implement this section, the department may enter into
30 and continue contracts with the Healthy Families Program
31 administrative vendor, for the purposes of implementing and
32 maintaining the necessary systems and activities for providing
33 health care coverage to optional targeted low-income children in
34 the Medi-Cal program for purposes of accelerated enrollment
35 application processing by single point of entry,
36 noneligibility-related case maintenance and premium collection,
37 maintenance of the Health-E-App Web portal, call center staffing
38 and operations, certified application assistant services, and
39 reporting capabilities. To further implement this section, the
40 department may also enter into a contract with the Health Care

Options Broker of the department for purposes of managed care enrollment activities. The contracts entered into or amended under this section may initially be completed on a noncompetitive bid basis and are exempt from the Public Contract Code. Contracts thereafter shall be entered into or amended on a competitive bid basis and shall be subject to the Public Contract Code.

(q) (1) If at any time the director determines that this section or any part of this section may jeopardize the state's ability to receive federal financial participation under the federal Patient Protection and Affordable Care Act (Public Law 111-148), or any amendment or extension of that act, or any additional federal funds that the director, in consultation with the Department of Finance, determines would be advantageous to the state, the director shall give notice to the fiscal and policy committees of the Legislature and to the Department of Finance. After giving notice, this section or any part of this section shall become inoperative on the date that the director executes a declaration stating that the department has determined, in consultation with the Department of Finance, that it is necessary to cease to implement this section or a part or parts thereof in order to receive federal financial participation, any increase in the federal medical assistance percentage available on or after October 1, 2008, or any additional federal funds that the director, in consultation with the Department of Finance, has determined would be advantageous to the state.

(2) The director shall retain the declaration described in paragraph (1), shall provide a copy of the declaration to the Secretary of the State, the Secretary of the Senate, the Chief Clerk of the Assembly, and the Legislative Counsel, and shall post the declaration on the department's Internet Web site.

(3) In the event that the director makes a determination under paragraph (1) and this section ceases to be implemented, the children shall be enrolled back into the Healthy Families Program.

SEC. 4. Section 14005.28 of the Welfare and Institutions Code is amended to read:

14005.28. (a) To the extent federal financial participation is available pursuant to an approved state plan amendment, the department shall implement Section 1902(a)(10)(A)(i)(IX) of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(IX)) to provide Medi-Cal benefits to an individual until his or her 26th birthday if he or she was in foster care on his or her 18th birthday

1 ~~or lost his or her eligibility for foster care assistance due to having~~
2 ~~reached the maximum age for that assistance; such higher age at~~
3 ~~which the state's or tribe's foster care assistance ends under Title~~
4 ~~IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.).~~

5 In addition, the department shall implement the federal option to
6 provide Medi-Cal benefits to individuals who were in foster care
7 and enrolled in Medicaid in any state.

8 (1) A foster care adolescent who was in foster care in this state
9 on his or her 18th birthday, ~~or who has lost his or her eligibility~~
10 ~~for foster care assistance in this state due to having reached the~~
11 ~~maximum age for that assistance; such higher age at which the~~
12 ~~state's or tribe's foster care assistance ends under Title IV-E of~~
13 ~~the federal Social Security Act (42 U.S.C. Sec. 670 et seq.),~~ shall
14 be enrolled to receive benefits under this section without any
15 interruption in coverage and without requiring a new application.

16 (2) The department shall develop procedures to identify and
17 enroll individuals who meet the criteria for Medi-Cal eligibility
18 in this subdivision, including, but not limited to, former foster care
19 adolescents who were in foster care on their 18th birthday and who
20 lost Medi-Cal coverage as a result of attaining 21 years of age.
21 The department shall work with counties to identify and conduct
22 outreach to former foster care adolescents who lost Medi-Cal
23 coverage during the 2013 calendar year as a result of attaining 21
24 years of age, to ensure they are aware of the ability to reenroll
25 under the coverage provided pursuant to this section.

26 (3) (A) The department shall develop and implement a
27 simplified redetermination form for this program. A beneficiary
28 qualifying for the benefits extended pursuant to this section shall
29 fill out and return this form only if information known to the
30 department is no longer accurate or is materially incomplete.

31 (B) The department shall seek federal approval to institute a
32 renewal process that allows a beneficiary receiving benefits under
33 this section to remain on Medi-Cal after a redetermination form
34 is returned as undeliverable and the county is otherwise unable to
35 establish contact. If federal approval is granted, the recipient shall
36 remain eligible for services under the Medi-Cal fee-for-service
37 program until the time contact is reestablished or ineligibility is
38 established, and to the extent federal financial participation is
39 available.

(C) The department shall terminate eligibility only after it determines that the recipient is no longer eligible and all due process requirements are met in accordance with state and federal law.

(b) If future federal regulations or guidance permit Medi-Cal benefits to be provided under Section 1902(a)(10)(A)(i)(IX) of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(IX)) to individuals who left foster care before reaching the age at which the state's or tribe's foster care assistance ends under Title IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et. seq.), then the department shall implement this section in accordance with those regulations or guidance.

~~(b)~~

(c) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time any necessary regulations are adopted. The department shall adopt regulations by July 1, 2017, in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of this section, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

~~(e)~~

(d) This section shall be implemented only if and to the extent that federal financial participation is available.

~~(d) This section shall become operative January 1, 2014.~~

SEC. 5. Section 14005.285 is added to the Welfare and Institutions Code, to read:

14005.285. (a) To the extent federal financial participation is available pursuant to an approved state plan amendment, the department shall exercise its option under Section 1902(a)(10)(A)(ii)(XVII) of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XVII)) to extend Medi-Cal benefits to independent foster care adolescents, as defined in Section

1 1905(w)(1) of the federal Social Security Act (42 U.S.C. Sec.
2 1396d(w)(1)).

3 (b) Notwithstanding Chapter 3.5 (commencing with Section
4 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
5 the department may implement, interpret, or make specific this
6 section by means of all-county letters, plan letters, plan or provider
7 bulletins, or similar instructions until the time any necessary
8 regulations are adopted. The department shall adopt regulations
9 by July 1, 2017, in accordance with the requirements of Chapter
10 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
11 Title 2 of the Government Code. Beginning six months after the
12 effective date of this section, and notwithstanding Section 10231.5
13 of the Government Code, the department shall provide a status
14 report to the Legislature on a semiannual basis, in compliance with
15 Section 9795 of the Government Code, until regulations have been
16 adopted.

17 (c) This section shall be implemented only to the extent that
18 federal financial participation is available and any necessary federal
19 approvals have been obtained.

20 *SEC. 6. Section 14005.287 is added to the Welfare and*
21 *Institutions Code, to read:*

22 *14005.287. (a) To the extent federal financial participation is*
23 *available pursuant to an approved state plan amendment, the*
24 *department shall exercise its option under Section*
25 *1902(a)(10)(A)(ii)(I) of the federal Social Security Act (42 U.S.C.*
26 *Sec. 1396a(a)(10)(A)(ii)(I)) to extend Medi-Cal benefits to*
27 *individuals under 21 years of age placed in foster homes or private*
28 *institutions for whom a public agency is assuming full or partial*
29 *financial responsibility.*

30 *(b) Pursuant to Section 1902(r)(2) of the federal Social Security*
31 *Act (42 U.S.C. Sec. 1396a(r)(2)), all of the income considered*
32 *when determining an individual's eligibility under this section*
33 *shall be disregarded.*

34 *(c) Notwithstanding Chapter 3.5 (commencing with Section*
35 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
36 *the department may implement, interpret, or make specific this*
37 *section by means of all-county letters, plan letters, plan or provider*
38 *bulletins, or similar instructions until the time any necessary*
39 *regulations are adopted. The department shall adopt regulations*
40 *by July 1, 2017, in accordance with the requirements of Chapter*

1 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
2 Title 2 of the Government Code.

3 (d) This section shall be implemented only to the extent that
4 federal financial participation is available and any necessary
5 federal approvals have been obtained.

6 SEC. 7. Section 14005.288 is added to the Welfare and
7 Institutions Code, to read:

8 14005.288. (a) To the extent federal financial participation is
9 available pursuant to an approved state plan amendment, the
10 department shall exercise its option under Section
11 1902(a)(10)(A)(ii)(VIII) of the federal Social Security Act (42
12 U.S.C. Sec. 1396a(a)(10)(A)(ii)(VIII)) to extend Medi-Cal benefits
13 to individuals under 21 years of age for whom an adoption
14 agreement, other than an agreement under Title IV–E of the federal
15 Social Security Act (42 U.S.C. Sec. 671 et seq.), between the state
16 and the adoptive parent or parents is in effect.

17 (b) Pursuant to Section 1902(r)(2) of the federal Social Security
18 Act (42 U.S.C. Sec. 1396a(r)(2)), all of the income considered
19 when determining an individual's eligibility under this section
20 shall be disregarded.

21 (c) Notwithstanding Chapter 3.5 (commencing with Section
22 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
23 the department may implement, interpret, or make specific this
24 section by means of all-county letters, plan letters, plan or provider
25 bulletins, or similar instructions until the time any necessary
26 regulations are adopted. The department shall adopt regulations
27 by July 1, 2017, in accordance with the requirements of Chapter
28 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
29 Title 2 of the Government Code.

30 (d) This section shall be implemented only to the extent that
31 federal financial participation is available and any necessary
32 federal approvals have been obtained.

33 ~~SEC. 6.~~

34 SEC. 8. Section 14005.30 of the Welfare and Institutions Code
35 is amended to read:

36 14005.30. (a) Medi-Cal benefits under this chapter shall be
37 provided to individuals eligible for services under Section 1396u-1
38 of Title 42 of the United States Code with family incomes that do
39 not exceed 109 percent of the federal poverty level.

1 (b) (1) When determining eligibility under this section, an
2 applicant's or beneficiary's income and resources shall be
3 determined, counted, and valued in accordance with the
4 requirements of Section 1396a(e)(14) of Title 42 of the United
5 States Code, as added by the ACA.

6 (2) When determining eligibility under this section, an
7 applicant's or beneficiary's assets shall not be considered and
8 deprivation shall not be a requirement for eligibility.

9 (c) For purposes of calculating income under this section during
10 any calendar year, increases in social security benefit payments
11 under Title II of the federal Social Security Act (42 U.S.C. Sec.
12 401 et seq.) arising from cost-of-living adjustments shall be
13 disregarded commencing in the month that these social security
14 benefit payments are increased by the cost-of-living adjustment
15 through the month before the month in which a change in the
16 federal poverty level requires the department to modify the income
17 disregard pursuant to subdivision (c) and in which new income
18 limits for the program established by this section are adopted by
19 the department.

20 (d) The MAGI-based income eligibility standard applied under
21 this section shall conform with the maintenance of effort
22 requirements of Sections 1396a(e)(14) and 1396a(gg) of Title 42
23 of the United States Code, as added by the ACA.

24 (e) For purposes of this section, the following definitions shall
25 apply:

26 (1) "ACA" means the federal Patient Protection and Affordable
27 Care Act (Public Law 111-148), as originally enacted and as
28 amended by the federal Health Care and Education Reconciliation
29 Act of 2010 (Public Law 111-152) and any subsequent
30 amendments.

31 (2) "MAGI-based income" means income calculated using the
32 financial methodologies described in Section 1396a(e)(14) of Title
33 42 of the United States Code, as added by the federal Patient
34 Protection and Affordable Care Act (Public Law 111-148) and as
35 amended by the federal Health Care and Education Reconciliation
36 Act of 2010 (Public Law 111-152) and any subsequent
37 amendments.

38 (f) Notwithstanding Chapter 3.5 (commencing with Section
39 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
40 the department may implement, interpret, or make specific this

1 section by means of all-county letters, plan letters, plan or provider
2 bulletins, or similar instructions until the time any necessary
3 regulations are adopted. The department shall adopt regulations
4 by July 1, 2017, in accordance with the requirements of Chapter
5 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
6 Title 2 of the Government Code. Beginning six months after the
7 effective date of this section, and notwithstanding Section 10231.5
8 of the Government Code, the department shall provide a status
9 report to the Legislature on a semiannual basis, in compliance with
10 Section 9795 of the Government Code, until regulations have been
11 adopted.

12 (g) This section shall be implemented only if and to the extent
13 that federal financial participation is available and any necessary
14 federal approvals have been obtained.

15 ~~(h) This section shall become operative on January 1, 2014.~~

16 ~~SEC. 7.~~

17 *SEC. 9.* Section 14005.64 of the Welfare and Institutions Code
18 is amended to read:

19 14005.64. (a) Effective January 1, 2014, and notwithstanding
20 any other ~~provision of~~ law, when determining eligibility for
21 Medi-Cal benefits, an applicant's or beneficiary's income and
22 resources shall be determined, counted, and valued in accordance
23 with the requirements of Section 1902(e)(14) of the federal Social
24 Security Act (42 U.S.C. Sec. 1396a(e)(14)), as added by the ACA,
25 which prohibits the use of an assets or resources test for individuals
26 whose income eligibility is determined based on modified adjusted
27 gross income.

28 (b) When determining the eligibility of applicants and
29 beneficiaries using the MAGI-based financial methods, the
30 5-percent income disregard required under Section
31 1902(e)(14)(B)(I) of the federal Social Security Act (42 U.S.C.
32 Sec. 1396a(e)(14)(B)(I)) shall be applied.

33 (c) (1) The department shall establish income eligibility
34 thresholds for those Medi-Cal eligibility groups whose eligibility
35 will be determined using MAGI-based financial methods. The
36 income eligibility thresholds shall be developed using the financial
37 methodologies described in Section 1396a(e)(14) of Title 42 of
38 the United States Code and in conformity with Section 1396a(gg)
39 of Title 42 of the United States Code as added by the ACA.

(2) In utilizing state data or the national standard methodology with Survey of Income and Program Participation data to develop the converted modified adjusted gross income standard for Medi-Cal applicants and beneficiaries, the department shall ensure that the financial methodology used for identifying the equivalent income eligibility threshold preserves Medi-Cal eligibility for applicants and beneficiaries to the extent required by federal law. The department shall report to the Legislature on the expected changes in income eligibility thresholds using the chosen methodology for individuals whose income is determined on the basis of a converted dollar amount or federal poverty level percentage. The department shall convene stakeholders, including the Legislature, counties, and consumer advocates regarding the results of the converted standards and shall review with them the information used for the specific calculations before adopting its final methodology for the equivalent income eligibility threshold level.

(3) The income eligibility threshold levels required under this subdivision shall be as follows for the identified coverage groups:

(A) For those pregnant women and infants eligible under Section 1396a(a)(10)(A)(i)(IV) of Title 42 of the United States Code, 208 percent of the federal poverty level.

(B) For those children one to five years of age, inclusive, eligible under Section 1396a(a)(10)(A)(i)(VI) of Title 42 of the United States Code, 142 percent of the federal poverty level.

(C) For those children 6 to 18 years of age, inclusive, eligible under Section 1396a(a)(10)(A)(i)(VII) of Title 42 of the United States Code, 133 percent of the federal poverty level.

(d) The department shall include individuals under 19 years of age, or in the case of full-time students, under 21 years of age, in the household for purposes of determining eligibility under Section 1396a(e)(14) of Title 42 of the United States Code, as added by the ACA.

(e) For purposes of this section, the following definitions shall apply:

(1) “ACA” means the federal Patient Protection and Affordable Care Act (Public Law 111-148) as originally enacted and as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) and any subsequent amendments.

(2) “MAGI-based financial methods” means income calculated using the financial methodologies described in Section 1396a(e)(14) of Title 42 of the United States Code, and as added by the ACA.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this section by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time regulations are adopted. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of this section, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

(g) This section shall be implemented only if and to the extent that federal financial participation is available and any necessary federal approvals have been obtained.

~~SEC. 8.~~

SEC. 10. Section 14051 of the Welfare and Institutions Code is amended to read:

14051. (a) “Medically needy person” means any of the following:

(1) An aged, blind, or disabled person who meets the definition of aged, blind, or disabled under the Supplemental Security Income program and whose income and resources are insufficient to provide for the costs of health care or coverage.

(2) A child in foster care for whom public agencies are assuming financial responsibility, in whole or in part, or a person receiving aid under Chapter 2.1 (commencing with Section 16115) of Part 4.

(3) A child who is eligible to receive Medi-Cal benefits pursuant to interstate agreements for adoption assistance and related services and benefits entered into under Chapter 2.6 (commencing with Section 16170) of Part 4, to the extent federal financial participation is available.

(b) “Medically needy family person” means a parent or caretaker relative of a child or a child under 21 years of age or a pregnant

1 woman of any age with a confirmed pregnancy, exclusive of those
2 persons specified in subdivision (a), whose income and resources
3 are insufficient to provide for the costs of health care or coverage.

4 ~~SEC. 9.~~

5 *SEC. 11.* Section 14148 of the Welfare and Institutions Code
6 is amended to read:

7 14148. (a) (1) (A) Except as provided in ~~paragraph (2);~~
8 *subparagraph (B)*, the department shall adopt the federal option
9 provided under Section 4101 of the Omnibus Budget Reconciliation
10 Act of 1987 (Public Law 100-203) to extend eligibility for medical
11 assistance under Medicaid to all pregnant women and infants with
12 family incomes not in excess of 185 percent of the federal poverty
13 level.

14 ~~(B) If a premium is imposed, the amount of the premium shall~~
15 ~~not exceed 10 percent of the amount by which the family's income,~~
16 ~~less actual child care costs, exceeds 150 percent of the federal~~
17 ~~poverty level as provided in Section 1916(e) of the federal Social~~
18 ~~Security Act (42 U.S.C. Sec. 1396o(e)) as determined, counted,~~
19 ~~and valued in accordance with the requirements of Section~~
20 ~~14005.64. The department shall implement this section by~~
21 ~~emergency regulation.~~

22 ~~(2)~~

23 (B) Effective January 1, 2014, the federal poverty level
24 percentage income eligibility threshold used pursuant to
25 subdivision (c) of Section 14005.64 to determine eligibility for
26 medical assistance under this section pursuant to ~~paragraph (1)~~
27 *subparagraph (A)* shall equal 208 percent of the federal poverty
28 level.

29 (2) *If a premium is imposed, the amount of the premium shall*
30 *not exceed 10 percent of the amount by which the family's income,*
31 *less actual child care costs, exceeds 150 percent of the federal*
32 *poverty level as provided in Section 1916(c) of the federal Social*
33 *Security Act (42 U.S.C. Sec. 1396o(c)) as determined, counted,*
34 *and valued in accordance with the requirements of Section*
35 *14005.64. The department shall implement this section by*
36 *emergency regulation.*

37 (b) Upon order of the Department of Finance, the ~~State~~
38 Controller shall transfer funds from Item 4260-101-001 of the
39 Budget Act of 1988 to Item 4260-111-001 of the Budget Act of

1 1988 during the 1988–89 fiscal year for the purpose of funding
2 outreach efforts for perinatal services.

3 (c) Notwithstanding subdivision (a), the state may limit
4 implementation of this section during the 1988–89 fiscal year,
5 based upon the availability of department funds. The department
6 may use maternal and child health funds to finance the increased
7 costs of implementing an expansion of Medi-Cal eligibility to
8 women and children with incomes of up to 185 percent of federal
9 poverty levels if both of the following conditions exist:

10 (1) The department has allocated for expenditure at least sixteen
11 million dollars (\$16,000,000) in funds redirected from the Medi-Cal
12 program for that expansion.

13 (2) If, and to the extent, the department determines that estimates
14 of costs based on actual data indicate that the funds are needed to
15 cover costs.

16 (d) To assist Medi-Cal eligible pregnant women in receiving
17 prenatal care promptly, all pregnant women applying for Medi-Cal
18 shall be determined to have an immediate need. Counties, within
19 existing resources, shall expedite the eligibility determination
20 process for all pregnant women on the basis of their immediate
21 needs. Upon determination of eligibility, a Medi-Cal card shall be
22 issued immediately.

23 (e) ~~This section~~ *The amendments made to subdivision (a) by*
24 *Senate Bill 508 during the 2013–14 Regular Session* shall be
25 implemented only if and to the extent that federal financial
26 participation is available and any necessary federal approvals have
27 been obtained.

28 ~~SEC. 10.~~

29 *SEC. 12.* Section 14148.5 of the Welfare and Institutions Code
30 is amended to read:

31 14148.5. (a) ~~(1)~~ State funded perinatal services shall be
32 provided under the Medi-Cal program to pregnant women and
33 state funded medical services to infants up to one year of age in
34 families with incomes above 185 percent, but not more than 208
35 percent, of the federal poverty level, in the same manner that these
36 services are being provided to the Medi-Cal population, including
37 eligibility requirements and integration of eligibility determinations
38 and payment of claims. When determining eligibility under this
39 section, an applicant's or beneficiary's income and resources shall

1 be determined, counted, and valued in accordance with the
2 methodology set forth in Section 14005.64.

3 (b) Services provided under this section shall not be subject to
4 any share-of-cost requirements.

5 (c) (1) The department, in implementing the Medi-Cal program
6 and public health programs, in coordination with the Managed
7 Risk Medical Insurance ~~Program's~~ *Board's* Access for Infants and
8 Mothers component, may provide for outreach activities in order
9 to enhance participation and access to perinatal services. Funding
10 received pursuant to the federal provisions shall be used to expand
11 perinatal outreach activities. These outreach activities shall be
12 implemented if funding is provided for this purpose by an
13 appropriation in the annual Budget Act or other statute.

14 (2) Those outreach activities authorized by paragraph (1) shall
15 be targeted toward both Medi-Cal and non-Medi-Cal eligible high
16 risk or uninsured pregnant women and infants. Outreach activities
17 may include, but not be limited to, all of the following:

18 (A) Education of the targeted women on the availability and
19 importance of early prenatal care and referral to Medi-Cal and
20 other programs.

21 (B) Information provided through toll-free telephone numbers.

22 (C) Recruitment and retention of perinatal providers.

23 (d) Notwithstanding any other ~~provision of~~ law, contracts
24 required to implement the provisions of this section shall be exempt
25 from the approval of the Director of General Services and from
26 the provisions of the Public Contract Code.

27 ~~SEC. 11.~~

28 *SEC. 13.* If the Commission on State Mandates determines that
29 this act contains costs mandated by the state, reimbursement to
30 local agencies and school districts for those costs shall be made
31 pursuant to Part 7 (commencing with Section 17500) of Division
32 4 of Title 2 of the Government Code.